



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 15, 2006

H.R. 5483 **Railroad Retirement Disability Earnings Act**

*As ordered reported by the House Committee on Transportation and Infrastructure
on July 19, 2006.*

H.R. 5483 would amend the Railroad Retirement Act to increase—to \$700 a month—the amount a disabled beneficiary can earn while still remaining eligible for a disability annuity. Under current law, disabled annuitants may earn up to \$400 per month. CBO estimates that enacting H.R. 5483 would increase direct spending for railroad retirement benefits by less than \$500,000 per year over the 2007-2016 period.

Based on data provided by the Railroad Retirement Board, CBO estimates that few current or prospective beneficiaries would be affected by the change. Current recipients only infrequently have benefits withheld due to excess earnings. About 100 applicants annually are denied benefits because of excess earnings, and many of those workers have earnings that would exceed the new limit.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Craig Meklir. This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis Division.